



energy fuels nuclear, inc.

one labor center • suite 2500
1200 seventeenth street • denver, colorado 80202

(303) 623-8317
twx 910-931-2561

June 7, 1989

RECEIVED
JUN 09 1989

DIVISION OF
OIL, GAS & MINING

Mr. Holland Sheppard
Minerals Resource Development
and Reclamation Program
Department of Natural Resources
Division of Oil, Gas and Mining
State of Utah
3 Triad Center, Suite 350
355 West North Temple
Salt Lake City, Utah 84180-1203

Re: Hillside Complex Bond, M/037/015, San Juan County, Utah

Dear Mr. Sheppard:

Pursuant to your instructions, I have enclosed our Reclamation Contract, together with an Exhibit A, but without the signature of our surety. As you suggested, please attach as Exhibit B to this Reclamation Contract our previously submitted Bond (which is executed by our surety) in the amount of \$2,460.

Also enclosed is a Certificate of Authority which we believe will satisfy the requirement noted on the bottom of page 8 of your Reclamation Contract form.

Once our original bond in the amount of \$24,792 is released, please return it to me at the above address. Thank you again for your continuing assistance. If you need anything else, please call me.

Sincerely,

Vicki L. Hoffsetz
Legal Department

Enclosures (2)

FORM MR-RC

Revised 2/17/89

RECLAMATION CONTRACT

File Number _____

Effective Date _____

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

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DIVISION OF
OIL, GAS & MINING

RECLAMATION CONTRACT

---ooOoo---

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.) ACT/037/015
(Mineral Mined) Uranium

"MINE LOCATION":

(Name of Mine) Hillside Mine, Gizmo Mine, Bears Ears
(Description) Mine and Maybe Mine

"DISTURBED AREA":

(Disturbed Acres) 12.3 acres
(Legal Description) Exhibit A

"OPERATOR":

(Company or Name) Energy Fuels Nuclear, Inc.
(Address) One Tabor Center, Suite 2500
1200 Seventeenth Street
Denver, Colorado 80202
(Phone No.) (303) 623-8317

"OPERATOR'S REGISTERED AGENT":

(Name)

C T Corporation System

(Address)

50 West BroadwaySalt Lake City, Utah 84101

(Phone No.)

(801) 364-5101**"OPERATOR'S OFFICER(S)":**John R. Adams, Chief Executive Office
Gerald W. Grandey, PresidentBrad L. Doores, Vice President and Secretary
Peter M. Mazula, Vice President and TreasurerMuril D. Vincelette, Vice President
George E. Glasier, Vice PresidentIrwin W. Mathisen, Jr., Vice PresidentWilliam L. Rhoadarmer, Vice President**"SURETY":**

(Form of Surety - Exhibit B)

Bond**"SURETY COMPANY":**

(Name, Policy or Acct. No.)

The North River Insurance CompanyBond # '_____'**"SURETY AMOUNT":**

(Escalated Dollars)

\$2,460.00**"ESCALATION YEAR"**1990**"STATE":**State of Utah**"DIVISION":**Division of Oil, Gas and Mining**"BOARD":**Board of Oil, Gas and Mining**EXHIBITS:****Revision Dates:**

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Operator and the Board.

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. ACT/037/015 which has been approved by the Division under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim the Disturbed Area in accordance with Operator's approved Reclamation Plan and Operator is obligated to provide surety in form and amount approved by the Board, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Board and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the Notice of Intention, and the Reclamation Plan.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Board, which surety is in the form of the surety attached hereto as Exhibit B and made a part hereof. The surety shall remain in full force and effect according to its terms unless modified by the Board in writing.
3. Operator agrees to pay public liability and property damage claims resulting from mining as determined by the Board or the Division, to the extent provided in the Act.

4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, and the Reclamation Plan.
5. The Operators liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention and the Reclamation Plan.
6. Operator agrees to indemnify and hold harmless the State, Board and Division from any claim, demand, liability, cost charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents, and employees, or contractor to comply with this Contract.
7. Operator may, at any time, submit a request to the Board to substitute surety. The Board, in its sole judgment and discretion, may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
8. This Contract shall be governed and construed in accordance with the laws of the State.
9. If Operator shall default in the performance of the obligations heretofore, Operator agrees to pay all costs and expenses, including attorneys fees and costs generated by the Division and/or the Board in the enforcement of this Contract.

10. Any breach of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Division, or Board, as appropriate, may revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety, or take such other action as is authorized by law.
11. In the event of forfeiture of the Surety, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this contract. Any excess monies resulting from forfeiture of the Surety, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
12. This Contract represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
13. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

SO AGREED this _____ day of June, 1989.

APPROVED AS TO FORM AND AMOUNT OF SURETY:

By _____
Chairman, Board of Oil, Gas and Mining

DIVISION OF OIL, GAS AND MINING:

By _____

Director

Date _____

STATE OF _____)

) ss:

COUNTY OF _____)

On the _____ day of _____, 19____, personally appeared before me, who being by me duly sworn did say that he/she, the said _____ is the Director of the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah, and he/she duly acknowledged to me that he/she executed the foregoing document by authority of law on behalf of the State of Utah.

Notary Public

Residing at: _____

My Commission Expires:

OPERATOR: ENERGY FUELS NUCLEAR, INC.

By Muril D. VinceletteCorporate Officer - Position
Muril D. Vincelette, Vice President

June 2, 1989

Date

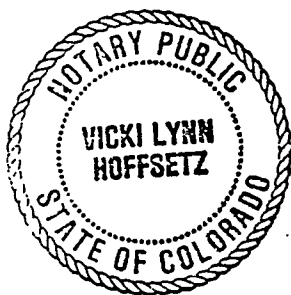
STATE OF COLORADO)

CITY AND)

COUNTY OF DENVER)

ss.

On the 2nd day of June, 1989, personally appeared before me Muril D. Vincelette who being by me duly sworn did say that he/~~she~~, the said Muril D. Vincelette is the Vice President of Energy Fuels Nuclear, Inc. and duly acknowledged that said instrument was signed on behalf of said company by authority of its bylaws or a resolution of its board of directors and said Muril D. Vincelette duly acknowledged to me that said company executed the same.

Vicki Lynn Hoffsetz
Notary PublicResiding at: W. Ada Colorado

My Commission Expires:

My Commission expires August 12, 1990

Exhibit A

Hillside Complex

Township 37 South, Range 16 East

Sections: 10 and 11

CERTIFICATE OF AUTHORITY

I, Brad L. Doores, Secretary of Energy Fuels Nuclear, Inc., a Colorado corporation, do hereby certify that below appears the name of the duly elected, qualified and acting officer authorized to sign the attached document and that opposite his name appears his genuine specimen signature:

Name of Officer

Office

Signature

Muril D. Vincelette

Vice President

Muril D. Vincelette

IN WITNESS WHEREOF, the undersigned has hereunto set his hand and affixed the seal of said Corporation at Denver, Colorado, this 2nd day of June, 1989.

Brad L. Doores

Secretary

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MAR 01 1989

(August 1986)
(Noncoal)

DIVISION OF
OIL, GAS & MINING

Bond Number 610 159333-5
Permit Number M/037/015
Mine Name Hillside Mine
Gizmo Mine
Bears Ears Mine
Maybe Mine

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

THE MINED LANDS RECLAMATION ACT

BOND

The undersigned Energy Fuels Nuclear, Inc.
as principal, and The North River Insurance Company as
surety, hereby jointly and severally bind ourselves, our heirs, administrators,
executors, successors and assigns unto the State of Utah, Division of Oil, Gas
and Mining in the penal sum of Two Thousand Four Hundred Sixty and no/100ths--
dollars (\$ 2,460.00).

The principal estimated in the Mining and Reclamation Plan filed with the
Division of Oil, Gas and Mining on the 22nd day of February
19 89, that 12.3 acres of land will be disturbed
by this mining operation in the State of Utah. A description of the disturbed
land is attached hereto as Exhibit "A."

When the Division has determined that the principal has satisfactorily
reclaimed the above-mentioned lands affected by mining in accordance with the
approved Mining and Reclamation Plan and has faithfully performed all
requirements of the Mined Land Reclamation Act, and complied with the Rules
and Regulations adopted in accordance therewith, then this obligation shall be
void; otherwise it shall remain in full force and effect until the reclamation
is completed as outlined in the approved Mining and Reclamation Plan.

If the approved plan provides for reclamation of the land affected on a
piecemeal or cyclic basis, and the land is reclaimed in accordance with such
plan, then this bond may be reduced periodically.

In the converse, if the plan provides for a gradual increase in the area
of the land affected or increased reclamation work, then this bond may
accordingly be increased with the written approval of the surety company.

This bond is noncancellable by the surety at any time for any reason
including, but not limited to nonpayment of premium or bankruptcy of the
permittee during the period of liability.

NOTE: Where one signs by virtue of Power of Attorney for a surety company, such Power of Attorney must be filed with this bond. If the principal is a corporation, the bond shall be executed by its duly authorized officer.

Dated this ____ day of _____, 19____.

State of Utah
Board of Oil, Gas and Mining

Gregory P. Williams, Chairman

Energy Fuels Nuclear, Inc.
Principal (Company)

By Brad L. Doores
Company Officer - Position
Brad L. Doores - Vice President

Date: 2/22/89

The North River Insurance Company
Surety (Company)

By Billie Nechaem, Atty in fact
Surety Company Officer - Position

DATE: 2/22/89

APPROVED AS TO FORM:

By _____
Assistant Attorney General

Exhibit A

Hillside Complex

Township 37 South, Range 16 East

Sections: 10 and 11

POWER OF ATTORNEY
THE NORTH RIVER INSURANCE COMPANY
PRINCIPAL OFFICE, TOWNSHIP OF MORRIS, N.J.

KNOW ALL MEN BY THESE PRESENTS: That THE NORTH RIVER INSURANCE COMPANY ("Company") a corporation duly organized and existing under the laws of the State of New Jersey, and having its Principal office in the Township of Morris, State of New Jersey, has made, constituted and appointed, and does by these presents make, constitute and appoint

Debbie S. Amann and Billie Nicholson of Denver, Colorado, each

its true and lawful Agent(s) and Attorney(s)-in-Fact, with full power and authority hereby conferred in its name, place and stead, to execute, seal, acknowledge and deliver: Any and all bonds and undertakings -----

and to bind the Company thereby as fully and to the same extent as if such bonds had been duly executed and acknowledged by the regularly elected officers of the Company at its principal office in their own proper persons.

This Power of Attorney limits the act of those named therein to the bonds and undertakings specifically named therein, and they have no authority to bind the Company except in the manner and to the extent therein stated.

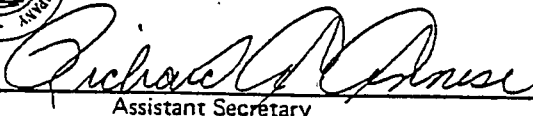
This Power of Attorney revokes all previous powers issued in behalf of the attorney(s)-in-fact named above.

IN WITNESS WHEREOF The North River Insurance Company has caused these presents to be signed and attested by its appropriate officers and its corporate seal hereunto affixed this 7th day of April, 19 86.

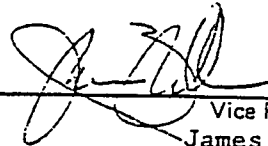


Attest:

THE NORTH RIVER INSURANCE COMPANY


Assistant Secretary

Richard A. Annese


Vice President

James Zachowski

STATE OF NEW JERSEY)
COUNTY OF MORRIS) ss.:

On this 7th day of April, 19 86, before the subscriber, a duly qualified Notary Public of the State of New Jersey, came the above-mentioned Vice President and Assistant Secretary of The North River Insurance Company, to me personally known to be the officers described in, and who executed the preceding instrument, and they acknowledged the execution of the same, and being by me duly sworn, deposed and said, that they are the officers of said Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of said Company, and the said Corporate Seal and their signatures as officers were duly affixed and subscribed to the said instrument by the authority and direction of the said Company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my seal at the Township of Morris, the day and year first above written.

HERBERT H. LINDER

NOTARY PUBLIC OF NEW JERSEY

My Commission Expires April 25, 1988

(Signed)
(Seal)


Notary Public

This Power of Attorney is granted pursuant to Article V. of the By-Laws of THE NORTH RIVER INSURANCE COMPANY now in full force and effect.

ARTICLE V., Execution of Instruments: "The Chairman of the Board, Vice-Chairman of the Board, President, or any Vice-President, in conjunction with the Secretary, or any Secretary, if more than one shall be appointed by the Board, or an Assistant Secretary, shall have power on behalf of the Corporation:

(a) to execute, affix the corporate seal manually or by facsimile to, acknowledge, verify and deliver any contracts, obligations, instruments and documents whatsoever in connection with its business including, without limiting the foregoing, any bonds, guarantees, undertakings, recognizances, powers of attorney or revocations of any powers of attorney, stipulations, policies of insurance, deeds, leases, mortgages, releases, satisfactions and agency agreements;

(b) to appoint, in writing, one or more persons for any or all of the purposes mentioned in the preceding paragraph (a), including affixing the seal of the Corporation."

This Power of Attorney is signed and sealed under and by the authority of Article IV., Section 9. of the By-Laws of THE NORTH RIVER INSURANCE COMPANY as now in full force and effect.

ARTICLE IV. Section 9. Facsimile Signatures: "The signature of any officer authorized by the Corporation to sign any bonds, guarantees, undertakings, recognizances, stipulations, powers of attorney or revocations of any powers of attorney and policies of insurance issued by the Corporation may be printed facsimile, lithographed, or otherwise produced. . . . The Corporation may continue to use for the purposes herein stated the facsimile signature of any person or persons who shall have been such officer or officers of the Corporation, notwithstanding the fact that he may have ceased to be such at the time when such instruments shall be issued."

CERTIFICATE

State of New Jersey
County of Morris

I, the undersigned, Assistant Secretary of THE NORTH RIVER INSURANCE COMPANY, DO HEREBY CERTIFY that the foregoing POWER OF ATTORNEY remains in full force and effect and has not been revoked and furthermore that the above quoted abstracts of Article V. and Article IV., Section 9. of the By-Laws of the Company are now in full force and effect.

In Testimony Whereof, I have hereunto subscribed my name and affixed the corporate seal of the said Company, this

Twenty second day of February 1989.

By John K. Stewart
Assistant Secretary
John K. Stewart

AFFIDAVIT OF QUALIFICATION

Billie Nicholson, being first duly sworn, on oath deposes and says that he/she is the (officer or agent) Attorney-in-Fact of said Surety Company, and that he/she is duly authorized to execute and deliver the foregoing obligations; that said Surety Company is authorized to execute the same and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertakings and obligations.

(Signed) Billie Nicholson, Attorney in Fact
Surety Company Officer - Position

Subscribed and sworn to before me this 22 day of February, 19 89.

Debbie S. Amann
Notary Public

My Commission Expires:

February 4, 1990.